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Ukraine to Get Nearly $40 Billion in Aid, IMF Chief Says

By The Moscow Times

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International Monetary Fund (IMF) Managing Director Christine Lagarde speaks about the situation in Ukraine at a news conference in Brussels on Feb. 12, 2015.

BRUSSELS — Ukraine is set to receive about $40 billion in funding over the next four years, nearly half of which will come from the International Monetary Fund, IMF chief Christine Lagarde said in Brussels as talks on the Ukraine conflict resumed in Minsk.

The ex-Soviet republic is on the brink of bankruptcy after a year of political upheaval and war and was hoping to clinch a deal with the IMF to unlock the wider financing package.

Lagarde told reporters that the IMF team working in Kiev had reached an agreement with the Ukraine government on a new economic program with about $17.5 billion coming from the IMF and additional resources from the international community.

"From these various sources taken together, a total financing package of around $40 billion is

estimated over the four year period," she said.

The IMF's staff-level agreement, which still needs to be approved by the IMF's board, came after Ukraine's government showed "a determination to reform like we have never seen," Lagarde said.

Ukraine has agreed to front-load reforms including energy tariff increases, bank restructuring, governance reform of state-owned enterprises and an anti-corruption agenda, she added.

Leaders of Ukraine, Russia, Germany and France returned to the negotiating room in Minsk on Thursday, as a document suggested the sides may agree to end fighting in eastern Ukraine with a cease-fire starting on Feb. 14.

"The main risk of course relates to the geopolitical developments that may affect market and investor confidence," Lagarde said.

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